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BEFORE THE ARIZONA CORPORATION COMMISSION

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JEFF HATCH-MILLER, Chairman
WILLIAM MUNDELL
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AZ CORP COMMISSION
DOCUMENT CONTROL

IN THE MATTER OF THE APPLICATION OF
CORONADO UTILITIES, INC. FOR A
CERTIFICATE OF CONVENIENCE AND
NECESSITY TO PROVIDE WASTEWATER
SERVICE IN PINAL COUNTY, ARIZONA.

DOCKET NO. SW-04305A-05-0086

IN THE MATTER OF THE APPLICATION OF
CORONADO UTILITIES, INC. FOR AUTHORITY
TO ISSUE SHORT AND LONG-TERM DEBT IN
CONNECTION WITH THE ACQUISITION OF
THE WASTEWATER UTILITY PLANT OF BHP
COPPER, INC. AND CONSTRUCTING
IMPROVEMENTS THERETO.

DOCKET NO. SW-04305A-05-0087

PROCEDURAL ORDER

BY THE COMMISSION:

By Procedural Orders dated March 16, 2005 and March 23, 2005, the hearing in the above-captioned convened on June 29, 2005.

On July 6, 2005, Arizona Corporation Commission ("Commission") Utility Division Staff ("Staff") requested that the hearing be re-opened in order to address new information concerning the application that had come to Staff's attention after the hearing as well as revisions to the rate design that were proposed at the hearing. Coronado Utilities, Inc. ("Coronado" or "Company") agreed that the new information was best considered in the context of an evidentiary hearing. The parties agreed that July 22, 2005, would be an acceptable date for reconvening the hearing.

In addition to the areas which Staff intends to explore during the re-opened hearing, the Commission needs additional information concerning the current sewer operations in the area by BHP Copper, Inc. ("BHP"). At the June 29, 2005 hearing, fact witnesses were uncertain about the status of BHP as a public service corporation. BHP is not a party to this proceeding and there were no witnesses representing BHP at the June 29, 2005 hearing. To make an informed decision on whether the current application is in the public interest, the Commission would benefit from a better

understanding of whether BHP is currently, or would be if the application were not approved, a public service corporation subject to Commission regulation on account of it providing sewer service to the residents of San Manuel. Because it involves a question of law, we direct Staff to file a legal memorandum that addresses the question whether BHP is a public service corporation and whether BHP has an on-going obligation to continue to provide sewer service whether it is, or is not, a public service corporation.

IT IS THEREFORE ORDERED that the **hearing** in this matter shall be re-opened and re-commence on **July 22, 2005** at 10:00 a.m., or as soon thereafter as is practical, at the Commission's Tucson offices, Room 222, 400 West Congress St., Tucson, Arizona.

IT IS FURTHER ORDERED that Staff shall file the legal memorandum discussed hereinabove by August 10, 2005.¹

IT IS FURTHER ORDERED the need to re-open the hearing to address new information and to address legal questions not adequately explained at the hearing, constitutes an extraordinary event warranting suspension of the time clock rule pursuant to R14-2-103.

IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

DATED this 7th day of July, 2005.


JANE L. RODDA
ADMINISTRATIVE LAW JUDGE

Copies of the foregoing mailed this 7th day of July, 2005 to:

Mr. Jay Shapiro
Mr. Patrick Black
Fennemore Craig, PC
3003 North Central Avenue
Suite 2600
Phoenix, Arizona 85012
Attorneys for Coronado Utilities, Inc.

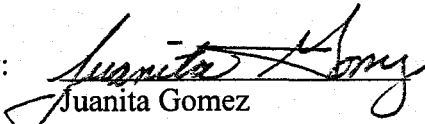
¹ Coronado may submit a legal analysis of its own if it so desires.

1 Kim Eggleston
2 Park Management & Investments
3 7373 N. Scottsdale Road, Suite A-280
4 Scottsdale, AZ 85253

5 Mr. Christopher Kempley, Chief Counsel
6 Legal Division
7 ARIZONA CORPORATION COMMISSION
8 1200 West Washington Street
9 Phoenix, Arizona 85007

10 Mr. Ernest Johnson, Director
11 Utilities Division
12 ARIZONA CORPORATION COMMISSION
13 1200 West Washington Street
14 Phoenix, Arizona 85007

15 By:

16 
17 Juanita Gomez
18 Secretary to Jane L. Rodda
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